EXHIBIT 33

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PART 1

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TOTAL FITNESS

Board Discussion Materials

August 7, 2005

The Blackstone Group®

LATHAM & WATKINS LLP

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Structural Mechanisms for Mitigating Concerns

Voting Agreement

REDACTED

Poison Pill

- The Board could adopt a shareholder rights plan to avoid further concentration of ownership
- Poison pill policy must be followed
- Process for adopting rights plan
- Protections against abuse through aggregations not involving shares
- Negative shareholder reaction

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Bally Total Fitness

Discussion Materials

September 29, 2005

The Blackstone Group® LATHAM & WATKINS

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I. Situation Overview

Factors Weighing on the Stock Price

At current stock price levels, Bally Total Fitness ("Company") stock will continue to be vulnerable to investors accumulating large stock positions. Several factors have weighed on the stock price recently including:

Lack of stockholder information

- Financial statement filings have not been made since first quarter 2004
  - Periodic releases provide limited financial and operating information from which to form a basis to estimate future financial and operating performance
  - Precluded from addressing current status and progress of new strategic initiatives in detail
- Limited information provided puts a lot of weight on the few publicly available statistics

Overhang from several publicized events

- Two bank amendments
- Drawn-out and contentious process for recent bond holder consents
- Letter sent to board and lawsuit filed by Liberation Investment Group
- Pending SEC, DOJ and shareholder investigations of and litigation against Company concerning financial reporting
- Household litigation

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Prospects for Stock Price Recovery

A recovery in the share price will be contingent upon, among other things, the filing of financial statements and demonstrating improved operating performance that builds investors' confidence in management and its strategy.

File Financial Statements

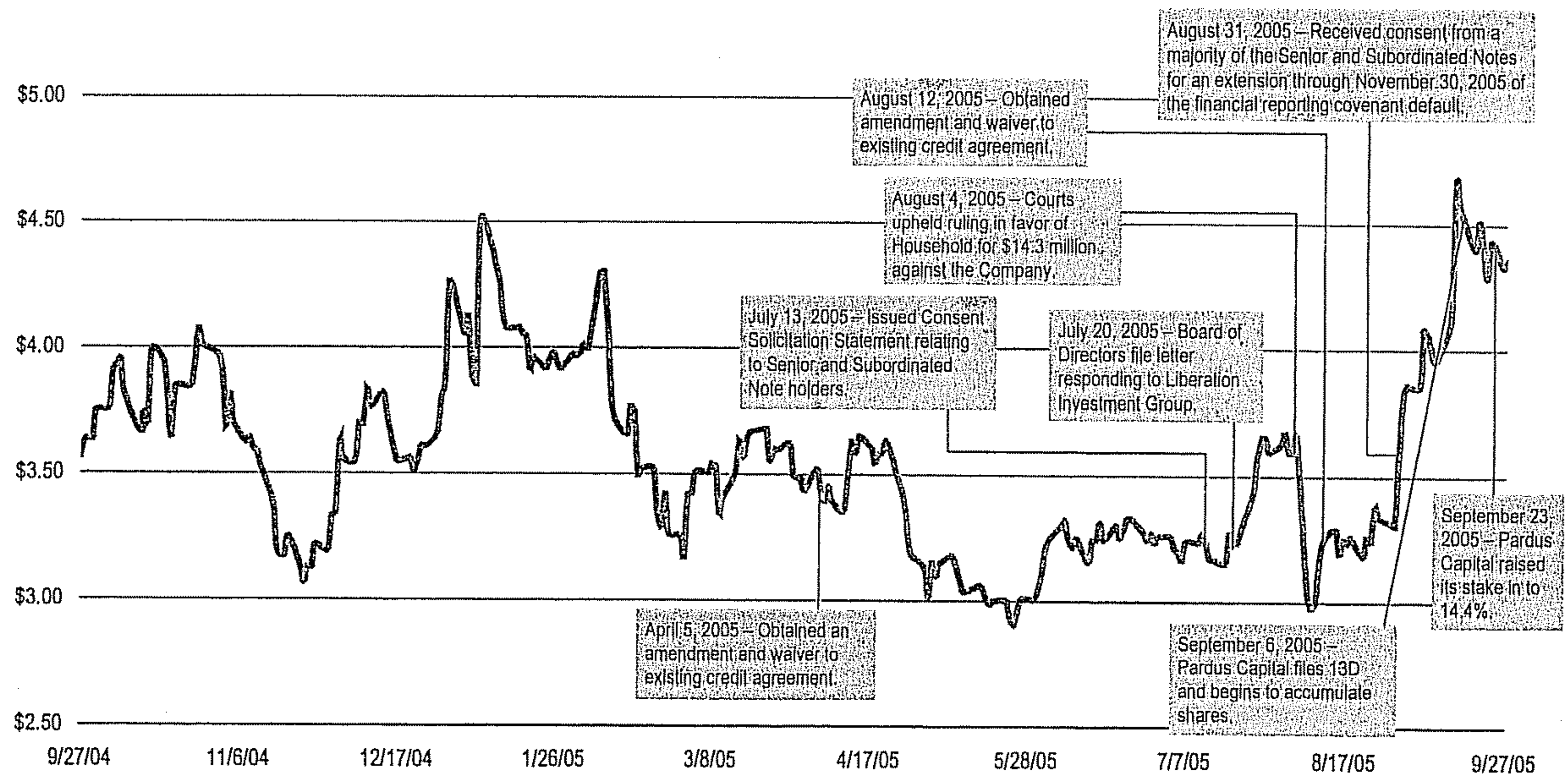
- ☐ Eliminates significant investor concern weighing on the share price since April 2004
- ☐ Investors will however scrutinize the restated results and the nature and magnitude of the restatements

Demonstrate improved operational and financial performance

- ☐ Measurable improvement coming from management's strategic initiatives
- ☐ Evidence of increasing strategic momentum that will drive future results
- ☐ Investors value consistency and a proven track record of financial performance

The implementation of the strategic initiatives is at its early stages; therefore, it will take time to show significant positive results.

Recent Share Price Performance



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Bally Total Fitness
I. Situation Overview

Recent Share Accumulations / Current Shareholder Profile

Since the beginning of the year the top 15 shareholders have increased their ownership from 35% to 65%. Additional share accumulations by selected third-party shareholders will increase the influence of such shareholders and increase their ability to force their own agendas.

(Shares in thousands)

	Dec 31, 2004		Mar 31, 2005		Current	
	Shares	%	Shares	%	Shares	%
Pardus Capital Management, LLC	**–**	**0.0%**	**–**	**0.0%**	**5,196**	**14.4%**
Liberation Investments, LLC	3,093	8.9%	3,349	9.7%	4,134	11.5%
Dimensional Fund Advisors, Inc.	2,297	6.6%	2,183	6.3%	2,520	7.0%
Columbia Wanger Asset Management, LP	2,350	6.8%	2,350	6.8%	2,350	6.5%
S.A.C. Capital Management, LLC	**886**	**2.6%**	**1,752**	**5.1%**	**1,922**	**5.3%**
Stark Asset Management, LLC	1,259	3.6%	1,259	3.6%	1,446	4.0%
Tennenbaum Capital Partners, LLC	**–**	**0.0%**	**–**	**0.0%**	**1,188**	**3.3%**
Citadel Investment Group, LLC	461	1.3%	461	1.3%	713	2.0%
Ramius Capital Group, LLC	627	1.8%	627	1.8%	704	2.0%
Bestinver Gestion, S.G.I.I.C. SA	–	0.0%	–	0.0%	639	1.8%
Barclays Global Investors, N.A.	662	1.9%	662	1.9%	596	1.7%
Galleon Management, LP	–	0.0%	–	0.0%	527	1.5%
Whitney Asset Management, LLC	550	1.6%	550	1.6%	500	1.4%
Medical Strategy, GmbH	–	0.0%	–	0.0%	453	1.3%
BNP Paribas Arbitrage, SA	**–**	**0.0%**	**–**	**0.0%**	**417**	**1.2%**
Top 15 Shareholders	12,184	35.2%	13,193	38.1%	23,305	64.6%
Other Shareholders	22,461	64.8%	21,452	61.9%	12,778	35.4%
Total [1]	34,645	100.0%	34,645	100.0%	36,083	100.0%

[1] Total includes restricted shares as of September 23, 2005.
Note: Investors who have either established a position in Bally stock or increased their position since the beginning of the year are shown in bold.

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Risks Associated with Share Accumulations

- ☐ Creeping Acquisitions of Control
- ☐ Tender Offers
- ☐ Inadequate price paid to Stockholders
  - — No control premium
  - — Stockholders do not receive uniform price per share
- ☐ Investor does not need to purchase 100% of Company
  - — Control exercised with large minority or simple majority block
  - — Can "squeeze out" minority stockholders at an inadequate price
  - — Acquirer resells control to third party to capture control premium
- ☐ Harmful uncertainty for markets, customers, suppliers and employees
- ☐ Board unable to protect Stockholder interests
  - — Timing of transaction outside of Board control
  - — Board unable to negotiate to maximize price paid to stockholders
- ☐ Can limit the ability of the Company to pursue and implement plans to create long term value, including adjustments to the Company's capital structure
- ☐ Can force premature sale prior to time business plan is implemented, thereby foregoing benefit

Traditional takeover concerns are exacerbated by relative lack of information available for Company shareholders.

II. Current Legal Position

Overview of Current Situation

Relevant Provision / Mechanism	Status
Charter and Bylaw Provisions	
Business Combinations with Interested Stockholders – Generally prohibits the Company from engaging in business combinations with a stockholder after the stockholder acquires 10% of the Company's voting securities, unless the business combination is approved by (i) 75% of all votes entitled to be cast and (ii) a majority of the votes entitled to be cast, excluding those of such stockholder	In place
Staggered Board – Three classes of directors serve staggered three year terms; Directors may only be removed for cause with 75% vote	In place
No Stockholder Action by Written Consent	In place
Stockholders Cannot Call Special Meetings	In place
Advance Notice of Director Nominations and Stockholder Business	In place
Supermajority Vote Requirement to Amend Key Charter or Bylaw Provisions	In place
Delaware General Corporation Law §203	
Generally prohibits the company from engaging in business combinations with an "interested stockholder" (owner of 15% or more of company's voting securities) for 3 years after the stockholder becomes an interested stockholder, unless (i) company's board approved the transaction that resulted in stockholder becoming an interested stockholder, or (ii) interested stockholder owns at least 85% of the company's voting securities upon consummation of the transaction that results in it becoming an interested stockholder or (iii) business combination is approved by (a) company's board and (b) 66 2/3% of the stockholders of company's voting securities not owned by interested stockholder	In place
Shareholder Rights Plan	Stockholder approval not required

Existing Rights Plan Policy

Background of Redemption of Old Rights Plan and Adoption of "Poison Pill" Policy:

- In connection with Company 2004 Annual Meeting, Liberation Investments and Amalgamated Bank submitted certain stockholder proposals, including one seeking termination of the Company's stockholder rights plan
- Liberation, Amalgamated and Company reached an agreement pursuant to which Liberation and Amalgamated withdrew these proposals and Company redeemed its stockholder rights plan and adopted a "poison pill policy", which provides that:
  - Prior stockholder approval of implementation of new rights plan generally required
  - Majority of Independent Directors may adopt a plan without prior stockholder approval if, under the circumstances then existing, the Board, in the exercise of its fiduciary responsibilities, deems it to be in the best interest of the Company and its stockholders to adopt a rights plan without the delay in adoption that would come from the time reasonably anticipated to seek a stockholder vote
  - Board must submit adoption of a plan to a stockholder vote no later than the <u>later</u> of (i) the next annual meeting or (ii) 270 days after such Board action

Fiduciary Duties of the Board

Fiduciary Duties Generally

- ☐ Directors must act in good faith and without self interest
- ☐ Directors must be reasonably informed as to the basis and nature of action taken
- ☐ Defensive actions must be proportional to a reasonably perceived threat to corporate control or policy
- ☐ Directors may reasonably rely on advice of management, legal counsel, financial advisors and other experts

Specific Discussion of Fiduciary Duties in Current Context

Fiduciary Duties as to the Rights Plan if an offer for the Company is made

Shareholder Approval Process

III. Shareholder Activism Examples

Recent Examples of Activist Investors

Date	Activist	Target	Situation Overview
8/2005	Crescendo Partners	Computer Horizons	☐ Crescendo Partners, a 10% owner of Computer Horizons, stated its intent to solicit shareholder votes against a proposed merger with Analysts International on the basis that the deal will destroy shareholder value for the Company. Computer Horizons has publicly criticized the opposition while urging shareholders to back the merger. On September 7th Crescendo officially succeeded in blocking the proposed merger after a shareholder vote yielded only 43% of the votes in favor of the deal
8/2005	Carl Icahn	Time Warner	☐ Carl Icahn, along with three other shareholders, who collectively own 2.6% of Time Warner, threatened a proxy fight over directors, urged a spinoff of the Time Warner's entire cable business and called for a $20 billion share buyback. Icahn forced a meeting with CEO Dick Parsons to discuss his suggestions for the Company and announced publicly that the discussions were "good and productive." Prior to the announcement Time Warner had already announced its intent to spinoff 16% of its cable business and buyback $5 billion of its shares. Time Warner has not publicly stated any changes to its original plan
4/2005	Carl Icahn	Blockbuster	☐ Carl Icahn, a 10% owner of Blockbuster, announced his intention to take control of the board with his own slate of directors. Icahn criticized executive compensation at the company and the handling of the attempted takeover of Hollywood Entertainment. Icahn called for the elimination of "egregious bonuses," greater dividends to shareholders and due consideration of any takeover proposals by Blockbuster. Icahn succeeded in winning three seats on the Board, including himself and two handpicked candidates

Recent Examples of Activist Investors (Cont'd)

Date	Activist	Target	Situation Overview
3/2005	Carl Icahn / Jana Partners	Kerr-McGee	☐ Carl Icahn and hedge fund JANA Partners, who together own approximately 7.5% of Kerr-McGee, announced that they would nominate themselves for the company's board. Icahn and JANA expressed dissatisfaction with Kerr-McGee's operations and urged the company to shed its chemicals business and sell off its oil reserves. Kerr-McGee aggressively opposed the dissident group with letters to shareholders and various lawsuits. The company stated its interest to boost shareholder value by selling its chemicals business and to adopt a $1 billion share repurchase
3/2005	Pinnacle Investment Partners / Essex & York	Stratus Services	☐ Hedge fund Pinnacle Investment Partners (approximate 10% owner) and Essex & York, an NASD member firm whose clients owned approximately 45% of the company, formally requested a meeting with management of Stratus Services Group, an outsourced labor and provider of temporary staffing services. Through public letters and statements, the dissident group expressed its disappointment with Stratus' stock price performance (the Company had lost approximately 60% of its market value) as well as its current operational structure. On March 16, 2005 the board announced that it was willing to meet with the group to discuss the issues raised
2/2005	Highfields Capital Management	Circuit City	☐ Highfields Capital Management, a 6.8% owner of Circuit City and its third largest shareholder, submitted a $3.25 billion bid for the company. The board of the company, advised by Goldman Sachs, rejected the offer, stating that it would not be in the best interests of the company and expressed confidence in management's efforts to revitalize the company

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Recent Examples of Activist Investors (Cont'd)

Date	Activist	Target	Situation Overview
12/2004	Barrington Capital Group	Steve Madden	□ In December 2004, Barington Capital Group, the fifth largest shareholder (7.7%) of shoe and apparel company Steve Madden, publicly announced a call for the ousting of chairman and CEO Jamie Karson. Further, Barington claimed that the company generated lackluster performance while providing for excessive executive compensation and poor corporate governance. The dissident group also suggested that the most shareholder value may be created through a sale of the company. Barington sent the Board a barrage of letters criticizing the company's performance and Karson's refusal to speak to its largest shareholders. In February 2005, the two parties announced that they had reached an amicable agreement that an additional independent director would be added to the board, Barington will abide by a standstill for two years and will support the board and its nominees. Finally, Steve Madden will dedicate $35 million over the next two years to share repurchases and dividends
7/2004	Carl Icahn	Mylan / King	□ Mylan announced a $4 billion bid for King in the summer of 2004. Carl Icahn bought a 9.8% position in Mylan and vowed to fight the acquisition of King. Later, Icahn threatened a proxy fight and made his own offer for Mylan. Icahn sued Perry Capital, which had purchased a 9.9% stake in Mylan. Perry had bought their shares in Mylan, secured voting rights, and made a deal with a brokerage firm that agreed to buy back the stock at the same price at a future date. Icahn's suit contended that Perry's technique of purchasing voting rights and employing a derivatives contract to shed financial risk is illegal. Mylan announced that it would not move forward with the planned acquisition of King, which had also announced plans to restate earnings. Perry unloaded its shares in Mylan

Recent Examples of Activist Investors (Cont'd)

Date	Activist	Target	Situation Overview
9/2003	Highfields / Others	AXA / MONY	☐ In September 2003, AXA Financial announced its purchase of MONY Group in a transaction valued at $1.5 billion. A group of MONY shareholders, lead by Highfields Capital Management (who owned 4.6%), opposed the deal on the grounds that the purchase price was too low and was motivated by the financial windfall that MONY management stood to gain if the deal went through. Highfields and other opposing shareholders launched an aggressive "VOTE NO" campaign (publicly waged, very high profile, website, etc.). Both AXA and MONY responded by not only espousing the merits and necessity of the deal, but by questioning Highfields' motivations (AXA stated that Highfields held a $25–$30 million short position in convertible bonds issued by AXA to finance the MONY transaction). In May 2004, AXA prevailed in a close shareholder vote
1/2003	Marathon Partners	Hoovers	☐ In January 2003 Marathon Partners, a 9% owner of Hoover's, opposed a board-approved takeover of the company by D&B Corporation. Marathon retained investment bank Marlin & Associates for financial advice and to explore alternatives to the proposed sale. In addition, Marathon filed a lawsuit in order to try to block the deal and offered to buy the Company at a 14% premium to D&B's offer. Marathon was not successful in any of its attempts
4/2002	Warren Kanders	Clarus	☐ In April 2002, a group of shareholders, lead by investor Warren Kanders, owning approximately 6% of B2B software maker Clarus launched a campaign to gain control of the board in an effort to maximize shareholder value. Kanders was successful in securing control of the board and now is the company's Chairman